

ORDINANCE NO. 2008-22

AN ORDINANCE OF THE CITY OF WENATCHEE
AMENDING AND RESTATING A CONTINGENT
LOAN AGREEMENT AND AUTHORIZING THE
EXECUTION OF A CONTINGENT LOAN
AGREEMENT WITH THE GREATER WENATCHEE
REGIONAL EVENTS CENTER PUBLIC FACILITIES
DISTRICT.

WHEREAS, pursuant to chapter 35.57 RCW and Ordinance No. 2006-19 passed by the City Council on June 15, 2006, the City of Wenatchee, Washington (the "City") entered into an Interlocal Agreement with the City of East Wenatchee, the City of Cashmere, the City of Chelan, the City of Rock Island, the City of Entiat, the Town of Waterville, Chelan County and Douglas County dated as of June 15, 2006 for the creation of the Greater Wenatchee Regional Events Center Public Facilities District (the "District"); and

WHEREAS, the District was formed pursuant to the authority granted by chapter 35.57 RCW for the specific purpose of acquiring, constructing, owning, remodeling, maintaining, equipping, re-equipping, repairing, financing, and operating (either directly or by contract) a multipurpose regional special events center with associated parking (the "Regional Center"); and

WHEREAS, the District and BBP Two, LLC, a Washington limited liability company, entered into a Lease with Purchase Option Agreement dated September 28, 2006 pursuant to which BBP Two, LLC would design, develop, finance, construct, and complete the Regional Center and thereafter lease it to the District; and

WHEREAS, construction of the Regional Center commenced on September 12, 2006; and

WHEREAS, the City, the District and Wenatchee Events Center, LLC, a Washington limited liability company (the "Lessor") entered into an Amended and Restated Lease with Purchase Option Agreement, dated May 30, 2007 (the "Lease") pursuant to which the Lessor will design, develop, finance, construct, complete and thereafter lease to the District a Regional Center to be constructed on property owned by Lessor in Wenatchee, Washington; and

WHEREAS, the District is obligated under the Lease Agreement to make Lease Payments (as defined in the Lease) to the Lessor commencing on the Substantial Completion Date (as defined in the Lease) of the Regional Center; and

WHEREAS, Section 7.1(e) of the Lease required that the City enter into a contingent loan agreement with the District committing the City to make loans to the District if and when the District does not have sufficient money to pay Lease Payments when due and payable in accordance with the terms and conditions of the Lease; and

WHEREAS, chapter 39.34 RCW authorizes public agencies to enter into agreements for cooperative action; and

WHEREAS, the District entered into a Contingent Loan Agreement dated July 24, 2007 with the City pursuant to which the City will make loans to the District as necessary to allow the District to make its Lease Payments (the "Initial Contingent Loan Agreement"); and

WHEREAS, Section 15.1 of the Lease provides the District the option to purchase the Regional Center and terminate the Lease at any time after the Regional Center is constructed by giving notice of its election to exercise the purchase option and paying the Lease Payments as provided in the Lease and such notice has been provided by the District pursuant to Resolution No. 2008-03 adopted on June 18, 2008; and

WHEREAS, the District intends to issue its Revenue and Special Tax Bonds, Series 2008A and Series 2008B (Taxable) (the "Bonds") to finance a portion of the Lease Payments due to acquire the Regional Center, to capitalize interest on the Bonds, and to pay costs of issuance for the Bonds; and

WHEREAS, the District and the City now desire to amend and restate the Initial Contingent Loan Agreement to obligate the City to make loans to the District for the payment of principal of and interest on the Bonds in the event that revenues received by the District from the operation of the Regional Center and other funds available to pay debt service on the Bonds are insufficient to make such payments;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF WENATCHEE, as follows:


Section 1. Approval of Contingent Loan Agreement. The City Council hereby approves the contingent loan agreement between the City and the District in substantially the form attached to this ordinance as Exhibit A and incorporated herein by reference (the "Contingent Loan Agreement") to amend and restate the Initial Contingent Loan Agreement. The Mayor is hereby authorized to execute the Contingent Loan Agreement and to take such actions as necessary to accomplish its purposes.

Section 2. Nature of the City Obligation. The City hereby irrevocably pledges its full faith, credit and resources to advance funds to the District under the terms of the Contingent Loan Agreement. The City further irrevocably covenants that to the extent allowable under the City's non-voted debt capacity it will budget and make annual levies of ad valorem taxes upon all of the property within the boundaries of the City subject to taxation within and as a part of the tax levy permitted to be levied by the City without a vote of the electors, in amounts sufficient (together with other legally available funds) to advance funds due to the District as required in the Contingent Loan Agreement.


Section 3. Effective Date. This ordinance shall become effective following its passage and publication as provided by law.

PASSED this 28th day of August, 2008.

CITY OF WENATCHEE

By 
Dennis Johnson, Mayor

ATTEST:


Vicki Reister, City Clerk

Approved as to form only:

City Attorney

ATTACH CONTINGENT LOAN AGREEMENT
